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NSC BRIEFING

25 September 1956

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BACKGROUND--SUEZ DEVELOPMENTS

I. Canal Operations. Ships are still moving through the canal with few abnormal delays. There are no signs yet that the reduced pilot force is breaking down under the strain.

A. Since 14 September, when most non-Egyptian employees quit, an average of 36 ships per day have moved through the canal. This compares with an average of 45 per day before nationalization and an average of 40 per day thereafter. A substantial number of vessels, including most of the larger ones, are being diverted.

B. None of the recently acquired pilots is known to have taken a ship through by himself. The core of the pilot force still consists of about 35 experienced men--some 30 Egyptians and 4 or 5 Greeks.

1. Over 40 new foreign pilots have now arrived in Egypt, including 15 from the USSR, 12 from Poland, and 11 from Yugoslavia.

2. Even after these and ~~the~~ some inexperienced Egyptian pilots are trained, Egypt will still have only about half the 200-man pilot force in being before nationalization. However, the force presumably can be expanded, since there appear to be plenty of applicants.

II. Egyptian Military Activity. There have been no significant developments in the Egyptian military picture. The Cairo press has made much of some air-armor-infantry joint exercises held early this week, and has announced that submarines of Soviet bloc origin are operating in Egyptian waters. (See Annex A)

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IV. French Military Preparations. *The U.S. Army Attache in Paris concludes*
that the French military build-up on Cyprus has apparently halted short
possible operations in the Suez area are continuing, but few
of its predicted goals. There are still very few details available:

A. Ground forces. *In addition to the troops assembling on Cyprus,*
where French ground force strength above 4,300 cannot be
confirmed,

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④ 2. CINCUSAREUR Heidelberg reported on 21 September that three² French Army units which have left Germany are now at Nimes, France, being staged for Cyprus. One of these is a medium tank battalion² and its addition to Cyprus forces would be the ~~first heavy armor there.~~

- B. Naval forces. According to unconfirmed reports, major combat units of the French Mediterranean fleet which had been standing by at Toulon are now at Algiers. Some 30 "first-line vessels" are said to be at Algiers, including a battleship, an aircraft carrier, a cruiser and ten destroyers.
- C. Air forces. No changes have been reported, and aircraft alerted for the Eastern Mediterranean are presumably still at their bases in France.

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VI. French Internal Position.

- A. Political opposition to Premier Mollet has grown as France and the West have offered compromise solutions on Suez and have moved away from direct military action. The National Assembly reconvenes on 2 October and will probably debate the Suez question immediately.
1. This may be the occasion for attacks on the government stemming from growing exasperation and frustration over Algeria as well as over a variety of domestic economic and social problems.
- B. The French public and government officials, disillusioned and discouraged by the outcome of the second London Conference, doubt the ability of the UN to reach a settlement on Suez satisfactory to France.
1. Many French may hope that the UN will prove ineffective, thereby demonstrating the necessity for direct action on Suez.
 2. Foreign Minister Pineau believes that all-out concerted economic pressure on Egypt might win a favorable solution; on the other hand, he fears that if such pressure failed, a Soviet-sponsored compromise could be the only solution.

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- C. The American embassy in Paris reports that since the second London Conference, open and widespread criticism of the United States has developed. The United States is accused of letting France down, and the embassy believes that if the outcome of the Suez issue is adverse from the French point of view, there may be attacks from all French quarters on NATO and on France's alliance with the US.

VII. Soviet Position.

- A. Moscow probably believes the introduction of the Suez question into the UN has strengthened its ability to draw out the negotiations for a peaceful settlement of Egypt's terms. It undoubtedly welcomes the opportunity again to participate formally in the negotiations from which it has been barred since the first London conference. The deliberations will afford the USSR with a forum for re-emphasizing the similarity between Soviet and Arab policies, especially on colonial matters.
- B. The Soviet position probably will hew closely to Moscow's statement of 15 September defending nationalization of the canal, Egyptian competence to operate it, and supporting Nasr's call for a 45-nation conference as a means of achieving a peaceful solution to the problem.

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